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{ REPORT  
No. 1628

## PROVIDE FOR AIDED AND DIRECTED SETTLEMENT ON GOVERNMENT IRRIGATION PROJECTS

FEBRUARY 28, 1925.—Committed to the Committee of the Whole House on the  
state of the Union and ordered to be printed

Mr. WINTER, from the Committee on Irrigation and Reclamation,  
submitted the following

### REPORT

[To accompany H. R. 12083]

The Committee on Irrigation and Reclamation, to whom was referred H. R. 12083, a bill to provide for aided and directed settlement on Government land in irrigation projects, having considered the same report thereon with a recommendation that it do pass without amendment.

This bill is identical with S. 4151, which was reported out of the Senate Committee on Irrigation and Reclamation, without dissenting vote, and passed. Its provisions are in pursuance of and in harmony with the program of reclamation development worked out by the Fact Finding Commission during 1924, and it is approved by the Secretary of the Interior. It is supplemental to and in completion of the reclamation legislation enacted by Congress, December 5, 1924, as the result of more than a year's hearings, study, and work of the Fact Finding Commission, the Bureau of Reclamation, and the Secretary. This program of supplemental legislation, to perfect and complete the reclamation law, is set forth in a communication of the Secretary of the Interior, dated December 11, 1924, addressed to the President, hereto appended and made a part of this report. He strongly advises that (6) a fund should be provided from which money could be advanced to help worthy and needy settlers, improve and equip their farms, such advances to bear 4 per cent interest and extend over a long period; and (7) there being many farm laborers in the country, provision should be made on these projects to enable the farm laborer to acquire a small tract for the purpose of a home and an area sufficient for truck gardening; and further, (8) advice and directions to settlers in the development of their

farms and in working out plans of marketing and cultivation, thus encouraging community effort and cooperation.

The features embodied in this legislation are:

1. The disposition of prepared farm units of Government lands in reclamation projects by purchase and sale instead of entries under the homestead provisions of the reclamation act, on areas so designated as divisions for the operation of this act; areas not so designated would remain for entry under the present general reclamation law.

2. Selection of the purchaser by a qualification provision as to farm experience and the possession of capital, in money or farm equipment, or both combined, of not less than \$1,500 when a farm of 160 acres is purchased, and \$200 when purchase is made of a fractional farm allotment, meaning an area of land not exceeding 5 acres.

3. Residence requirement on said farm or fractional farm allotment of at least eight months in every calendar year and until full payment of moneys advanced, under section (6) of this act, with accrued and unpaid interest, and payment or provisions of payment of all State, county, and local taxes, and irrigation district assessments, which then constitute liens on his improvements; with provision for leave, or leaves of absence.

4. The purchaser has the right to sell his land at any time with the approval of the Secretary, and in case of sale the grantee shall succeed to all his rights and privileges and assume and discharge all his obligations and burdens as to such land.

5. If and when all the payments are made a patent or deed shall be issued to the purchaser or his grantee.

6. Authorization to the Secretary in his discretion to advance for permanent improvement and for purchase of livestock in a proper amount, not exceeding the sum of \$3,000 on account of any one farm and not exceeding the sum of \$800 on account of any one fractional farm allotment; such advances, which are not to exceed 60 per cent of value of permanent improvement, or livestock in connection with which made, shall constitute the first lien and shall be paid with interest at the rate of 4 per cent per annum in amortized installments.

7. Supervision by the Bureau of Reclamation necessary to insure the use of advances for the purposes for which made—cultivation, repairs, and fire insurance.

8. Cancellation of the contract in case of default continuing after one year's notice; forfeiture of payments which shall be deemed rental paid for occupancy; and automatic repossession of the property by the Secretary.

9. Appropriation from the reclamation fund to effectuate the purposes of this act and authorization to the Secretary to make needful rules and regulations.

To summarize the above into its two important features, the bill provides for (1) purchase instead of entry of lands; and (2) credits or advances to the settlers from the reclamation fund of necessary funds. It is important to note that the bill provides that the contract charges for the reclamation works and the charges for operation and maintenance against the land on account of the water rights shall be paid in accordance with the requirements of the present general reclamation law.

The bill is designed to apply to such special designated areas on new projects or new divisions of existing projects or areas which may come back into the possession of the Government on existing projects, as are suitable and sufficient for the creation of at least 100 farms of not more than 160 acres, and at least 10 fractional farm allotments of not more than 5 acres, and the Secretary is authorized to withdraw such area from entry and for disposition under this act, as above explained. In cases where the unentered public land in a project is insufficient in area or unsuited to the purpose, the bill gives the Secretary authority to acquire by gift, by purchase, or by condemnation, under legal process, such an area as will, when added to the area of unentered public land of the project, make the whole sufficient in area for the establishment of a project or a division of a project as above defined, for this purpose. If these provisions were not in the act, an area of Government land otherwise possible to be developed hereunder would be unavailable for lack of size and by reason of included or contiguous small tracts in private ownership, and intruding alternate railroad sections under railroad grants. The discretion of the Secretary in regard to acquirement by purchase or condemnation can not be used unreasonably or abused, as the Secretary can but outline these plans and purposes in a report and make recommendation, which must be approved by the Budget Board and the President, reported by the Appropriation Committee, and appropriation made by Congress.

We believe the people should have an opportunity to acquire lands and homes under the conditions provided for in this act by the assistance, encouragement and, cooperation of the Government as herein provided.

Many failures in initiating homes in the arid States will be avoided. The aim is to make the first settler successful and to avoid the sacrifice of the first and second settler, which, it has been said, is necessary, or is the usual order, to make the third settler successful and permanent, by reason of the accrual to him of the work and labor and improvement of his predecessors.

No existing agency of the Government making loans or credits to farmers do reach, will reach or can reach, the settlers who first go upon these unimproved reclamation lands. The hearings held, to which reference is hereby made, abundantly show that this legislation is highly desirable, if not actually necessary for the success, without an initial period of failure, of the new reclamation projects now authorized by Congress and the Reclamation Service and new divisions of existing projects. The system of loans and credits under this act will carry the settler from the time he goes upon the land up to the period and condition where he can qualify and secure loans under existing agencies. This is shown by the testimony of a member of the Federal Farm Loan Board, who further stated that the board could not reach and was not available to cover such cases; and that the credit and loans proposed to be provided in this act did not interfere in the work and the activities of said board. It is further shown that this method will not only secure the success of the settler, but will bring about through the success of the settler the repayment of the Government investment already made. By a small outlay upon which interest is paid the Government insures security, and return of the principal.

It is further shown in said hearings, and your committee is convinced that it is the fact, that the credit and loan system embodied in this act, which is known as "aided and directed settlement," has been successfully applied by at least one State in the United States, and by many other nations.

The letter of the Secretary, hereto appended, favoring this legislation and asking early and favorable consideration thereto was addressed to the chairman on H. R. 11711. Said bill was reintroduced as H. R. 12083, which is the same in substance and which was made identical with S. 4151. A second letter from the Secretary of the Interior, supplemental to his first, makes a direct favorable recommendation of the reintroduced H. R. 12083, upon which this report is made.

In view of the fact that several new divisions will be ready for opening and settlement in the very near future, this bill should be enacted into law at this session.

THE SECRETARY OF THE INTERIOR,  
Washington, December 11, 1924.

The President,  
The White House.

MY DEAR MR. PRESIDENT: The time has arrived for the adoption of a broad program of reclamation development. Reclamation legislation recently enacted by Congress will improve the condition of settlers and make it possible for them to meet their payments to the Government in the future. It omits, however, certain required features to supply which additional legislation is needed, which will—

(a) Define the policy and procedure with respect to cooperation between the Federal Government and the States in the development of new projects.

(b) Provide for amortized payments with a low rate of interest on advances made by the Government for the development of farms.

(c) Bring about the adoption of a unified plan for the colonization and closer settlement of land in excess of homestead units held in private ownership.

I suggest that Congress be invited to appoint a joint congressional committee to consider these questions, with a view to drawing up a reclamation code which will constitute a policy and working plan for existing projects and future development. To this end I have outlined herein certain methods and measures which this department has tentatively adopted.

#### EXISTING PROJECTS

1. The obligations of settlers on existing projects should be adjusted and a basis provided for future payments. This will require a reappraisal of areas to determine their ability to produce profitable crops under irrigation.

2. The Government has expended a large amount of money in the construction of reservoirs which are only partly used, with a consequent heavy loss of income. There are other projects where storage is needed to utilize the distributing works. A definite construction program for the completion of works needed to secure the full benefit of the Government's investment and complete utilization of the resources on these projects should be adopted.

3. The management and control of existing works should be transferred to the water users, where they are in a position to organize and to be entrusted with this authority, the form of such organization to be that of an irrigation district operating under State laws.

#### FUTURE DEVELOPMENT

4. All investigations of future projects should include a comprehensive study of legal, engineering, economic, agricultural, and financial conditions. Legal studies are needed to determine the title to water rights; engineering studies to determine the cost of irrigation works; economic studies to determine the value of land held in private ownership, the outlay required to change raw land into



farms, and the character of markets; agricultural studies to determine the crops suited to the locality and the productive value of water under irrigation; financial studies to determine sources of credit, interest rates, and cost of settlement and farm development. The results of these investigations should be submitted to Congress and to the authorities of the State in which the development is located.

5. On all projects undertaken hereafter the State in which the development is located should participate in the selection of settlers and the development of farms. The States should not be required to contribute to construction costs, but should be required to contribute to the fund provided for advances to settlers for farm development, as they now contribute to the construction of roads and to agricultural education.

6. A fund should be provided from which money can be advanced to help worthy, needy settlers improve and equip their farms. Such advances should bear interest and, for permanent improvements, should extend over long periods. Four per cent is suggested as the interest rate.

7. There are almost as many farm laborers as farm owners in this country. The conditions under which the families of farm laborers live are therefore a matter of great importance. Provision should be made on these projects to give the farm laborer an opportunity to acquire a home and a garden, the number to be limited to the local demand for hired labor. In this way we will train up the farm owners of the future.

8. Provision for advice and direction to settlers in the development of their farms and in working out plans of marketing and cultivation should be a feature of all new development.

#### GENERAL

9. The plans for future reclamation development must take into consideration the needs of the different States; the water-right problems of interstate streams; the amount of the reclamation fund which will be available during the next 20 years. The construction of reservoirs by the Bureau of Reclamation under a forward-looking plan of this character will be an effective agency for lessening controversy and securing an equitable distribution of the water supply.

10. Efforts to reach an agreement for the economic apportionment of water of interstate streams, now being made by the States, have the cordial approval and support of this department. It is infinitely better than the costly and unsettling litigation certain to arise unless such agreements are reached. It ought to be possible under such agreements to work out plans for the storage and regulation of the water of the Missouri, Colorado, Platte, Rio Grande, and Columbia Rivers and their tributaries. Such action on the Colorado is urgently needed to protect the Yuma reclamation project from danger by floods and the Imperial Valley irrigation district in California from being devastated both by floods and drought.

11. The primary purpose of all reclamation construction is to extend irrigation. In all storages there will be incidental benefits to come from the development of power. Whatever arrangements are made for such power development, or its distribution, there should be such control by the Government as to prevent interference with the use of the stored water in irrigation.

#### RECLAMATION OF SWAMP, CUT-OVER, AND NEGLECTED LAND

12. The reclamation act recently passed by Congress authorizes an appropriation of \$100,000, to be used in part for reclamation investigations in sections of the country outside of the arid region. It is believed that there is a field for the closer settlement and creation of prosperous homes on areas of neglected swamp or cut-over land. The methods of colonization and the economic conditions under which these new communities will be established are of special importance. All such investigations should be cooperative, the State to contribute one-half of the cost. It is believed that States like North Carolina and South Carolina, which have commissions dealing with settlements, will welcome such cooperation and that such action will promote rural progress in sections where it will be of national advantage.

Very truly yours,

HUBERT WORK.

THE SECRETARY OF THE INTERIOR,  
Washington, January 17, 1925.

HON. ADDISON T. SMITH,  
*Chairman Committee on Irrigation and Reclamation,*  
*House of Representatives.*

MY DEAR MR. SMITH: I have your favor of January 2, transmitting H. R. 11171, "A bill to provide for aided and directed settlement on Government land in irrigation projects."

This measure has my approval. The need for this legislation was emphasized in the report of the Fact Finding Commission, and embodied in recommendation No. 31, page 9 of Senate Document No. 92. In that report the interest recommended was 5 per cent. Further study by this department indicates that the money could be provided at 4 per cent without any burden on the reclamation fund, and that this difference in interest would enable 5 per cent payments to include both principal and interest.

As you are aware, the conditions which will confront settlers on new projects for which appropriations have been requested were made the subject of painstaking inquiries last year by five different groups of highly qualified investigators, drawn largely from the agricultural colleges of the Western States. Their conclusions were then submitted for review and criticism by groups of business men living within the areas concerned. All of these reports state that aid and direction of the character provided in H. R. 11171 are essential requisites to the successful development of these projects.

Some of the reasons for providing aid are to be found in the annual report of the Bureau of Reclamation in a discussion of the Kittitas project, pages 13 to 16, inclusive.

While the enactment of this legislation will place added responsibility on the Reclamation Bureau and increase its duties, it will relieve those in authority from the trying experiences which they have undergone in the past in being compelled to watch the struggles of worthy settlers attempting to subdue an improve farms when confronted by obstacles too great for them to overcome, the chief being money needed to improve and equip their farms. The delay in development which this caused, the inability of settlers to earn living expenses and pay project costs because their farms were not prepared for cultivation, is the principal cause of the financial troubles which now beset them. It is believed that if the feature of reclamation embodied in the measure under consideration had been a part of the original act it would have saved many worthy settlers their farms, hastened the return of the money expended on works, and rendered unnecessary the adjustments which now confront this department and Congress.

For these reasons it is hoped that this measure may have early and favorable consideration.

The bill has been submitted to the Director of the Bureau of the Budget, who reports that the contemplated legislation is not in conflict with the President's financial program.

Very truly yours,

HUBERT WORK.

THE SECRETARY OF THE INTERIOR,  
Washington, February 5, 1925.

HON. ADDISON T. SMITH,  
*Chairman Committee on Irrigation and Reclamation,*  
*House of Representatives.*

MY DEAR MR. SMITH: Replying to your verbal request for a report on H. R. 12083, "A bill to provide for aided and directed settlement on Government land in irrigation projects," I would say that this bill, in its essentials, is the same as H. R. 11171, about which I wrote you on January 17, stating that this measure had my approval.

The essential difference between the two measures is that H. R. 12083 is made more general in its terms and confers somewhat greater authority on the Secretary, but provides for doing everything contemplated in H. R. 11171, dealt with in my former letter. The amendments are regarded as improvements and this measure has my approval for the reasons stated in my previous communication.

As stated in my former letter, this measure has been submitted to the Director of the Budget, who reports that the contemplated legislation is not in conflict with the President's financial program.

Very truly yours,

HUBERT WORK.